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Tarrant County Texas

Official Public Records

11/24/2009 8:45 AM

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Suzanne Henderson

Submitter: SIMPLIFILE

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

AMENDMENT OF OIL, GAS AND MINERAL LEASE

THE STATE OF TEXAS §
 §
 COUNTY OF TARRANT §

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, DANIEL J. HILER and NANCY H. HILER, husband and wife, whose address is 2600 Clover Lane, Arlington, Texas 76015, ("Lessors") executed that certain Oil, Gas and Mineral Lease dated August 30, 2007, a memorandum of which is recorded in the Official Records of Tarrant County, Texas as document D207339596, covering lands more specifically described therein ("the Lease"), and,

WHEREAS, Lessors and Lessee now desire to amend the Lease as to the pooling provision as hereinafter set forth.

NOW, THEREFORE, Lessors do hereby amend the Lease as follows:

Delete the following clause:

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all non-excepted strata or any stratum or strata, with any other lands as to all non-excepted strata or any strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. Lessor specifically excepts and reserves those strata beneath the leased premises within 500 feet of the surface or those deeper than 100 feet below the stratigraphic equivalent of the base of the deepest formation drilled on the leased premises. However, no unit for the production primarily of oil shall embrace more than 160 acres, or for the production primarily of gas with or without distillate more than 640 acres; provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. In the absence of governmentally prescribed spacing, Lessee shall file written unit designations in the county in which the leased premises are located. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of this acreage placed in the unit, or his royalty interest therein on an acreage basis, bears to the total acreage in the unit. Notwithstanding any provision in the lease to the contrary, Lessee agrees to include all and not just part of the leased premises in any unit the leased premises should be pooled with, the size of the unit shall not exceed the minimum size necessary to obtain the maximum production allowable. In the case of a well producing from the Barnett Shale formation, the unit may not exceed 40 acres for a vertical well, and a unit for a horizontal well may include the additional acreage as permitted by the Railroad Commission of Texas. Lessee shall file for record in the real property records of Tarrant County, Texas, an Instrument describing and designating the pooled acreage and depths for the pooled unit, and upon such recordation the unit shall become effective as to all parties.

Add the following clause:

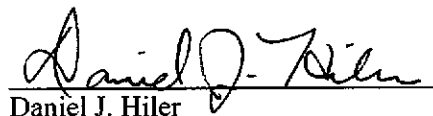
Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

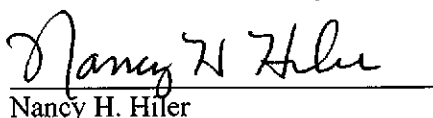
It is understood and agreed by the parties hereto that the provisions hereof shall supersede any provisions to the contrary in the Lease. For adequate consideration, Lessors do hereby adopt, ratify and confirm the Lease, as amended herein, and do hereby stipulate that the Lease remains in full force and effect. Insofar as is necessary, Lessors do hereby lease, let, and demise to Lessee the lands covered by the Lease, pursuant to the terms and provisions of the Lease, as of the Effective Date set forth herein.

The terms and provisions hereof shall be binding upon the parties hereto, their respective heirs, legatees, devisees, personal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is hereby made effective as of the 15th day of November, 2009, regardless of the actual day of execution and acknowledgment by any or all of the parties constituting the Lessors herein.

Lessor:

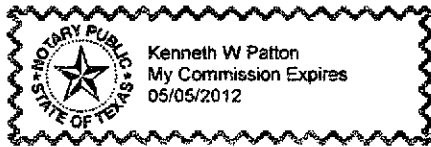

Daniel J. Hiler

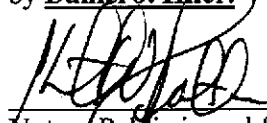

Nancy H. Hiler

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

The foregoing instrument was acknowledged before me on the 15th day
of November, 2009, by Daniel J. Hiler.



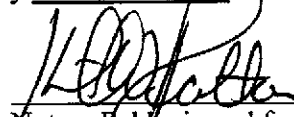


Notary Public in and for
The State of Texas

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

The foregoing instrument was acknowledged before me on the 15th day
of November, 2009, by Nancy H. Hiler.





Notary Public in and for
The State of Texas